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THE Cotton SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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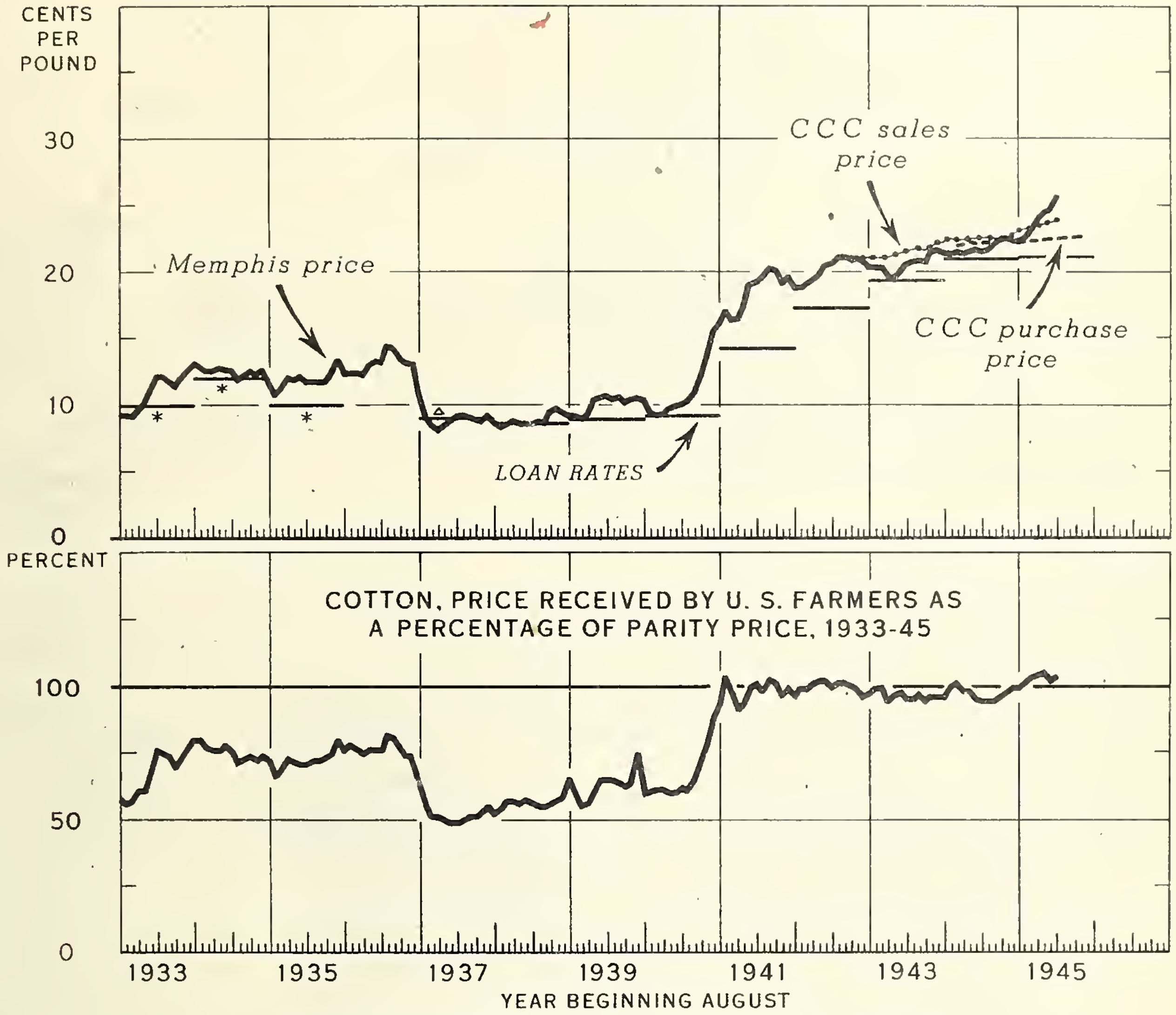
COTTON, AMERICAN MIDDLING 15/16-INCH AT MEMPHIS; MARKET, GOVERNMENT LOAN RATE, PURCHASE PRICE, AND STABILIZATION PRICE, 1933-45



COTTON, PRICE RECEIVED BY U. S. FARMERS AS A PERCENTAGE OF PARITY PRICE, 1933-45

*APPLICABLE FOR ALL COTTON, LOW MIDDLING OR BETTER, 7/8-INCH OR LONGER
△ APPLICABLE FOR ALL COTTON, MIDDLING OR BETTER, 7/8-INCH OR LONGER

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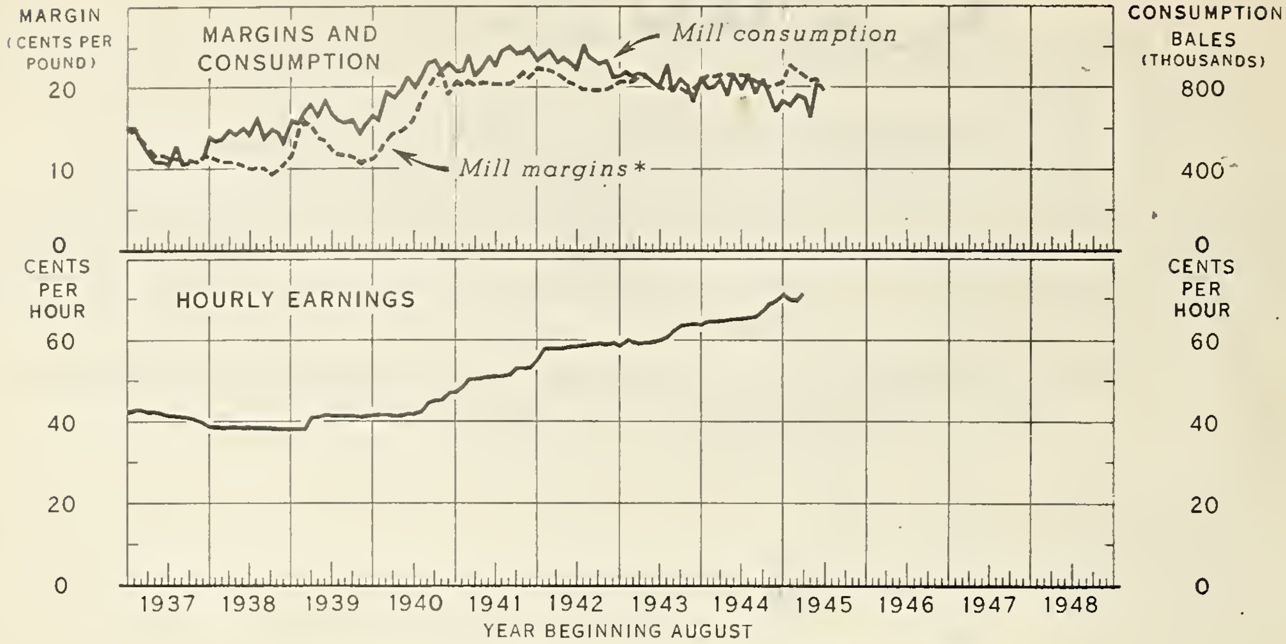
Domestic cotton prices are now at the highest level since the middle 1920's. For some time prior to the war, government loan rates acted as a floor holding up the price of cotton. Since early in the war, cotton prices have fluctuated above government loan and/or purchase rates and below the prices which ceilings on cotton textile and apparel items would reflect. Recently, market prices advanced beyond the CCC sales price and increases in wages and raw material costs have advanced since August 1945 to such an extent that OPA has again increased ceiling prices on cotton textiles effective February 26.

DOMESTIC MILL CONSUMPTION OF COTTON AND GROSS MILL MARGIN AND AVERAGE HOURLY EARNINGS IN COTTON MANUFACTURES (EXCEPT SMALL WARES), 1937-45



*GROSS MARGIN BETWEEN THE MARKET PRICE OF COTTONS USED IN 17 STANDARD CONSTRUCTIONS AND THE PRICE OF THOSE CONSTRUCTIONS

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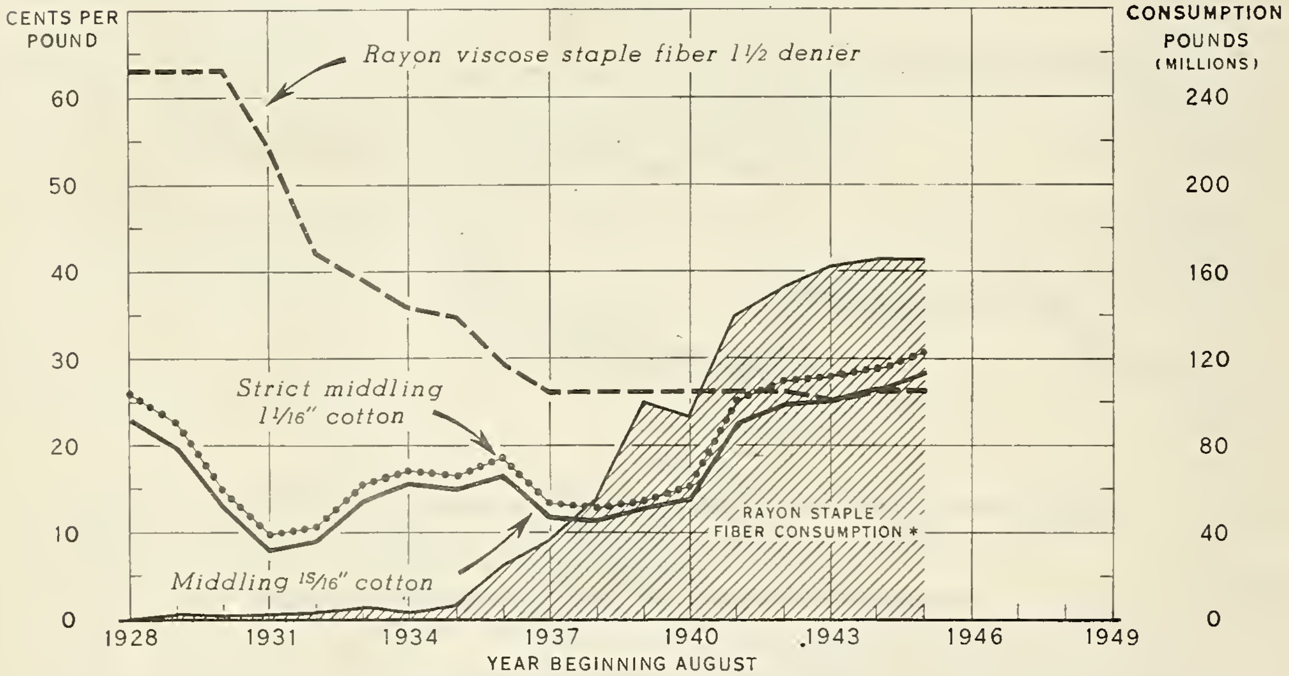
FIGURE 1.

From 1939 to 1942 workers' average hourly earnings in cotton manufactures increased along with gross margins and cotton consumption. Since 1942 average hourly earnings have continued on upward, while gross mill margins have fluctuated at about the 1942 level. The resulting reduced profit margin and the scarcity of labor at this industry's comparatively low wage rate largely account for the reduction in cotton consumption. (See legend of cover chart for recent changes in price ceilings).

COTTON AND RAYON: EQUIVALENT PRICES OF RAW FIBERS AND RAYON STAPLE FIBER CONSUMPTION, 1928-45



*CALENDAR YEAR AS REPORTED IN THE RAYON ORGANON

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FIGURE 2.

While other factors are important, rising cotton prices in recent years have helped rayon compete with cotton. Rayon staple fiber consumption expanded rapidly through 1943 and since then rayon staple fiber consumption has held about constant. In the same period, rayon filament yarn deliveries for use in tires expanded greatly. Now that the war is over and rayon production facilities can be expanded, the competition between cotton and rayon will be intensified.

THE COTTON SITUATION

Approved by Outlook and Situation Board, March 19, 1946

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SUMMARY

On March 18 the price of middling 15/16" cotton on the 10 spot markets was 26.60 cents per pound, 29 points above the February 15 price. The February 15, price was 189 points above the January 15 price and 381 points above the August 14 price. On February 15, the price received by farmers was 23.01 cents per pound, 65 points above the January 15 price and 168 points above the August 15 price.

The low level of prices received by farmers relative to the market price of middling 15/16-inch reflects the large proportion of below middling cotton in farm marketings and the wide differentials for the lower grades that have been coming to the market in large volume. The poor quality of much of the farm marketings was caused by bad weather and labor shortages during the picking season. Widening of the price differentials resulted from the relatively large supply of these poor qualities.

The rate of domestic mill consumption increased between January and February. If the amount consumed per working day in February is extended to an annual basis, it amounts to 9.7 million bales compared with 9.6 million bales actually consumed during the marketing year beginning August 1, 1944.

The trend in monthly consumption of all cotton by domestic mills has been downward since 1942, while the gross margin between the market prices of cotton and the prices of 17 standard cloth constructions has been fluctuating around the same general level. Average hourly earnings in cotton manufacturing establishments increased from 57.6 cents in September, October, and November 1942 to 70.3 cents in the corresponding months of 1945. On February 26 cotton textile ceiling prices were again raised to cover increases in wage and raw material costs since August 1945.

Domestic stocks of cotton, all kinds, on hand February 1 totaled about 14.4 million bales, about 3.8 million bales of which were in government hands. It is now estimated that mill consumption for the year ending July 31, 1946 will amount to over 9 million bales and that the carry-over of cotton, all kinds as of August 1, 1946 will be about 8.1 million bales, compared with 11.2 million bales on August 1, 1945. A large proportion of the carry-over will be poor quality cotton.

Cotton exports in the first 6 months of the 1945-46 season totaled 1,431,902 running bales as compared with 693,111 bales for the corresponding months a year earlier. A total of 1,924,377 bales (excluding small army exports) were exported in the crop year ending last July. It is now estimated that exports for the year ending with July 31, 1946 will total around 3 and a quarter million bales.

Exports while more widely distributed among countries than during the war are less so than in prewar years. Through January 1946 no cotton had been exported to Germany and Japan, both of which were large prewar importers of the low qualities of cotton now in abundant supply in this country. Military arrangements are now being made for the use of considerable quantities of American cotton in Japan. The United Kingdom is taking about one-fourth as much as her 1934-38 average and less than one-half of her 1944 imports under lend lease. France is the top importer of American cotton this season.

It is estimated that the world carry-over of cotton on August 1, 1946 will be down from 1 to 2 million bales when compared with the preceding year. However, foreign cotton production and exports of U. S. cotton are up to such an extent that the August 1, 1946 carry-over of all cotton in foreign countries will exceed the August 1, 1945 carry-over despite increases in foreign cotton consumption.

Production of rayon filament yarn and staple fiber has increased from 663.1 million pounds in 1943 to 792.1 million pounds in 1945. In the same period filament yarn production increased from 501.1 million pounds to 623.7 million pounds. The increase in this one segment accounted for most of the increase in the total. From 1943 to 1945, shipment of rayon filament yarns to manufacturers of tire cord and tire fabric increased from 55.6 to 187.4 million pounds. Thus, between 1943 and 1945, almost all the expansion in the use of rayon occurred in the tire field.

THE DOMESTIC SITUATION

Market Prices of Medium Grades Advance More Rapidly than Average Farm Price

After steadying at about 24.50 cents per pound in the first half of January, the price of middling 15/16 inch cotton at the 10 spot markets moved upward steadily passing the 25 cent level on January 24 and continuing on up to 26.60 cents on March 18 which was 218 points above the price on January 15. The price movement in the central markets occured primarily in the middle and better grades and staple lengths as evidenced by increasing discounts. From August 15 to February 15 the average price received by farmers for cotton went up from 21.33 to 23.01 cents a pound. This increase of 168 points at farm markets compares with an increase of 381 points in the 10 spot market price of middling 15/16 inch cotton between August 15 and February 15. The increasing spread between the price received by farmers for all grades and the central market price of a given medium quality cotton, such as middling 15/16 inch, results from an increasing proportion in farm marketings of low quality cotton, the prices of which are relatively stable for reasons discussed below.

Table 1.- Cotton price per pound; received by U. S. farmers and average at 10 spot markets for specified grades and staples, 1944 and 1945

Marketing year	Received by Farmers 15th of Month	Monthly Averages at 10 spot markets			
		White and Extra White			Spotted
		M 15/16"	MF 1 1/16"	GO 15/16"	LM 7/8"
	Cents	Cents	Cents	Cents	Cents
1944-45	20.73	21.86	23.62	15.64	14.97
1945-46					
Aug.	21.33	22.38	24.04	15.45	15.05
Sept.	21.72	22.50	24.15	15.55	15.17
Oct.	22.30	23.13	24.79	16.02	15.69
Nov.	22.52	23.93	25.63	16.11	16.03
Dec.	22.84	24.51	26.13	16.17	16.24
Jan.	22.36	24.71	26.30	16.11	16.31
Feb.	23.01	25.84	27.41	16.94	17.17

Farm price from "Agricultural Prices" published by BAE.
Prices at 10 spot markets from reports of Production and Marketing Administration

Large Supplies Account For Stabilized Prices of Low Qualities

The CCC loan and/or purchase price level would be expected to form the floor for cotton prices. Given a normal distribution of stocks according to grade and staple, and sufficient stocks in the hands of the government the CCC sales or stabilization price would be expected to establish a ceiling price. This has not been the case as CCC stocks consisted largely of the poorer grades and shorter staples. As demand became strong, prices for the good qualities advanced beyond the corresponding CCC sales prices. Large stocks of low quality cotton tended to keep the prices of low qualities near the CCC sales price. Thus, as cotton prices advanced, price differentials widened to points consistent with the supply and demand situation for the different grades and qualities.

On August 1, 1939, about 2.1 million bales or 16.4 percent of the cotton carry-over consisted of low quality short cotton 1/. At the end of the 1944 marketing season, July 31, 1945, 2.4 million bales, about 21.5 percent of the carry-over, consisted of the same low quality short cotton for which the former export demand from Germany and Japan has been non-existent. In contrast, the domestic (war and civilian) demand for the medium to long good quality cotton 2/ has been so strong that the carry-over decreased from 6.4 million bales on August 1, 1939 to 3.4 million bales on August 1, 1945.

CCC to Pool Loan Cotton From 1944 and 1943 Crops

All the 1944-crop cotton and all the 1943-crop of American-Egyptian cotton still under loan on July 1, 1946 will be pooled for producers account by the CCC on that date as provided in the loan agreements and sold in an orderly manner. The net proceeds, if any (after deduction of all advances and accrued costs, including storage, incurance, and handling charges) will be distributed proportionately among producers whose cotton has been placed in the pool.

Any time prior to July 1, producers may redeem the 708,157 bales of 1944 upland cotton outstanding on March 9 from the 2,144,090 bales originally placed under loan and the 1,300 bales of 1943 and 1944 crops of American-Egyptian cotton outstanding on February 7 from the 2,500 bales originally placed under loan. In view of the current price situation, farmers should be able to redeem and sell a large proportion of the outstanding cotton at a substantial profit.

1/ All cotton 7/8 inch and shorter, except all Extra White, and White Middling and better.
2/ White cotton, 7/8 inch and longer Middling and better, and all Extra White cotton 7/8 inch and longer.

CCC Cotton Offered on Bid Basis Moving Rapidly

Of the 650,000 bales of CCC cotton listed on December 30 for sale on a bid basis, 250,531 bales were sold on January 14, 1946. This cotton was sold at or above the sales price. The base price for middling 15/16 inch flat cotton, gross weight, at Memphis, Tennessee was 23.62 cents per pound. The cotton sold contained substantial quantities of the qualities in short supply.

The Department announced on February 28 that after March 15, sales of CCC stocks of owned and pooled cotton would be sold on a bid basis but not below parity. Sales of cotton against export registrations prior to March 1, 1946 will be continued until March 15, 1946 on the present basis. After March 15, exporters will be permitted to buy only on the basis of competitive bids adjusted to reflect the export differential, irrespective of the date of registration of the sale.

Rate of Consumption Up In February; To be further Stimulated by New Programs

The rate of domestic mill consumption of cotton increased from January to February. If the amount consumed per working day in February is converted to an annual basis, it amounts to 9.7 million bales which compares with a rate of 9.2 million bales in January and with 9.6 million bales actually consumed during the marketing year beginning August 1, 1944. Through the first seven months of the 1945-46 marketing year, 5,154,213 bales were consumed compared with 5,651,960 bales in the corresponding months of the 1944-45 marketing year. Cotton consumption for the full 1945-46 marketing year can be reasonably expected to more nearly equal the 1944-45 rate of consumption than it has for the first seven months. It is now estimated that over 9.0 million bales will be consumed in the year beginning August 1, 1945.

While the February daily rate of consumption was higher than for any month since May 1945, it is still low in relation to the overall retail demand for cotton textile and apparel items. Monthly cotton consumption has been falling off erratically since 1942 while the gross margin between the market price of cottons used in 17 standard cloth constructions and the price of those constructions has been fluctuating around the 1942 level. Wage payments have to be met out of this gross margin and average hourly earnings in cotton manufacturing establishments have increased from an average of 57.6 cents in September, October, and November of 1942 to 70.3 cents in the same months of 1945.

In the cotton textile and apparel picture, price ceiling differentials between different qualities of apparel items have been such as to discourage production of the low cost items. The shortage of low cost items has been aggravated by a withholding movement which developed at the mill and manufacturing level. According to reports in trade publications, the withholding movement developed out of the joint hope that settlement of labor-management difficulties in the more basic industries would result in wage-price adjustments which would be extended later to cotton textiles and that uncertainties in the governmental price and production policy with respect to textile and apparel manufacturers would also result in textile price advances. Those joint hopes became more significant to textile producers as labor and raw cotton costs continued to advance against gross margins.

The Civilian Production Administration's conservation order M-328B, Schedule C, is intended to promote production of low cost apparel items. Preference Rating Schedule No. 3 which applies to the first quarter 1946 covers a greater number of the low cost apparel items than Schedule No. 2 which applied in the fourth quarter of 1945. Producers of the fabrics used in producing the items on Preference Rating Schedule No. 3 are required to set aside stated percentages of their fourth quarter 1945 or estimated first quarter 1946 production, whichever, is higher, for delivery to apparel manufacturers on rated orders. An additional provision insures that stated percentages of fabrics manufactured will be delivered as over-the-counter piece goods. Provisions against the accumulation of inventories of fabrics for manufacture on rated orders and for over-the-counter sales continue in effect.

On March 8 the OPA announced substantial increases in the prices of fabrics used in low cost apparel items. These increases were designed to cover rising costs and to provide an additional profit incentive to producers of low cost fabrics. At the same time CPA through an amendment to Limitation order L99 ordered mill operators to shift a large number of looms to the fabrics for which the incentive price increases were granted.

The relative shortage of cotton apparel items at the retail level, reflects a strong demand situation as well as the manufacturing and merchandising difficulties encountered on the supply side. Large savings, a high level of consumer incomes (now swollen by mustering-out payments) and the high rate of cotton textile consumption by industrial users, the depleted consumer-stocks and the allocation of a substantial proportion of production for UNRRA exports are major factors in the demand situation.

On February 20 the U. S. Department of Agriculture announced a program to promote the use of lint cotton in the production of batts to be used as filling materials for automobile seat cushions, backs and doors. On cotton used under this program, the Department is offering to make payments of 4 cents a pound to all manufacturers holding approved applications under the program. Payments will be made on lint cotton used in the manufacture of automobiles prior to January 1, 1947 on purchases made prior to July 1946. As in the cotton insulation program, the lint cotton used must be not less than 3/4 inch in staple length and not lower in quality than the lowest grades in the universal standard for American upland cotton. While this program is not of great importance in the overall cotton supply situation, in combination with other new uses programs it should significantly promote consumption of the poorer grades and short staples now in heavy supply.

Earlier Estimates of Carry-over August 1, 1946 Reduced

The estimate of domestic carry-over of American cotton on August 1, 1946 presented in the Outlook issue of the Cotton Situation needs to be revised downward slightly as the December production indication are .2 million running bales less than indicated in November and military arrangements have increased U. S. exports. The domestic supply of American cotton for the year beginning August 1, 1945, based on December production indications, was about 20.0 million running bales. Prospective disappearance of American cotton (including consumption and exports) probably will amount to about 12.1 million bales of which about 8.9 million bales will be consumed domestically. On the basis of these revised estimates the August 1, 1946 carry-over of American cotton is estimated at about 7.9 million bales, compared with the Outlook estimate of 8.3 million bales. The August 1, 1946 domestic carry-over of all kinds of cotton is estimated at 8.1 million bales.

In evaluating the accuracy of these current estimates, three factors should be kept in mind. The first factor pertains to exports included in the above disappearance figure. Prospective exports for the remainder of this crop year depend on unpredictable international trade developments. The second factor is a possible change in production estimates, as the December production indications included in the above supply figures are not final. And, the third factor is a possible change in the consumption picture.

The estimated August 1, 1946 carry-over of 7.9 million bales of American cotton is only 75 percent of the August 1, 1944 carry-over but is 96 percent of the prewar 1935-39 average. Volume should not be taken as the sole criterion in evaluating the prospective cotton carry-over because distribution by grade and staple length is almost as important. On August 1, 1945, about 2,365 thousand bales of short poor 1/ quality cotton were on hand, and 1,005 thousand bales had disappeared in the 1944-45 marketing year. In contrast, 3,365 thousand bales of the longer better 2/ quality cotton were on hand on August 1, 1945 while 4,497 bales disappeared in the 1944-45 marketing year.

Release of CCC Stocks Helps Maintain "Free Cotton" on Market

Stocks of all kinds of cotton on hand in the United States as of February 1 were roughly 14.4 million bales. These stocks were distributed within the cotton economy as follows: (1) about 2.4 million bales were held by mills, (2) about 9.4 million bales were held in public storage, and (3) about 2.6 million bales were held elsewhere (on farms, in transit to ports, in coastwide trade, etc.). Of the total stocks in the United States well over 3 million bales represented government owned or loan stocks. The remainder, or around 11 million bales, made up what is frequently called "free cotton". In considering the "free cotton" supply situation for the remainder of the year, however, sales 3/ from CCC stocks and imports must be added to the February 1 figure. "Free cotton" available between February 1 and August 1, 1946 is estimated to be about 13 million bales of which over 4.6 million bales probably will be consumed and of which over 1.8 million bales probably will be exported.

The carry-over of domestic cotton on August 1, 1946, now estimated at 7.9 million bales, probably will be distributed within the cotton economy somewhat as follows: (1) From 2 to 3 million bales at the mills and (2) from 4.5 to 5.5 million bales in public storage and elsewhere. It appears that Government stocks will be below one and a half million bales on August 1, 1946, assuming continued heavy demand for Government cotton and that "free cotton" will amount to over 6 and a half million bales.

Exports for 1945-46 Season Estimated at 3¼ Million Bales

Cotton exports from the United States totaled 293,166 bales in January, over 3 times the quantity exported in January, 1945. Exports for the first 6 months of the 1945-46 marketing season amounted to 1,431,902 bales compared with 693,111 bales for the same months in the 1944-45 marketing season and an average of 3,265,500 bales for the same months in the prewar period 1934-38. It is now estimated that exports in the year beginning August 1, 1945 will total around 3 and a quarter million bales.

1/ All cotton, 7/8 inch and shorter, except all Extra White and White Middling and better. 2/ White cotton, 7/8 inch and longer, Middling and better, and all Extra White cotton 7/8 inch and longer. 3/ CCC sales are being stimulated by the cotton export program, new uses programs and a desire by the trade to own a larger proportion of the cotton stocks as evidenced by the large movement of cotton from Government to private ownership.

France is proving to be the largest importer of American cotton this season. Germany and Japan, large prewar importers of the low quality short staple cottons now in heavy supply, had not taken any of the U. S. exports through January. Exports during the remainder of the 1945-46 crop season will be affected by unpredictable international monetary and trade agreements and military arrangements which may provide for the manufacture of cotton in Germany as well as in Japan.

The Secretary of Agriculture has announced that Government exports of cotton to Japan will be initiated in March when approximately 200,000 bales are expected to be shipped. Under the program, stocks of cotton will be shipped to a Japanese governmental agency designated and supervised by General MacArthur's staff. The U. S. Commercial Company (an RFC subsidiary) will deliver the raw cotton from port to port, later sell the textiles provided as payment, and will receive reimbursement for expenses incurred in the program. The payments for the cotton must be kept current by three-months periods, and in the initial period the Japanese will deliver 60 percent of the textiles manufactured to U.S. Commercial Company.

THE WORLD SITUATION

World Cotton Consumption about the Same as 1944-45 level

Cotton consumption by world mills for the year beginning August 1, 1945 is now estimated at around 24 million bales or about the same as the 23.9 million bales consumed a year earlier. It is estimated that cotton consumption in the U. S. for the year beginning August 1, 1945 will total over 9.0 million bales, about .6 million less than a year earlier, while it is estimated that foreign mill consumption of all kinds of cotton will total about .6 million more than a year earlier. A shortage of exchange to buy raw cotton and a shortage of coal and power supplies are significant factors retarding the recovery of cotton consumption in many of the war-torn countries. Mill consumption continues at a high rate in foreign cotton producing countries not physically devastated by the war.

Carry-over in Foreign Countries Increasing

The carry-over of all kinds of cotton, in foreign countries on August 1, 1946 will be larger than the August 1, 1945 foreign carry-over of 15.4 million bales. The total world carry-over of cotton, all kinds, will be about 1 to 2 million bales smaller than the August 1, 1945 world carry-over of 26.6 million bales, as it is anticipated that the reduction by about 3.0 million bales in U. S. carry-over of cotton, all kinds, will more than offset the increase in stocks outside the United States.

The increase in foreign carry-over between August 1, 1945 and August 1, 1946 is in line with prospective consumption. Foreign mill consumption can be expected to increase as finances stabilize and as coal, other power supplies, new equipment and transportation facilities become more adequate and incomes increase in response to rehabilitation efforts.

THE COTTON-RAYON PRICE AND PRODUCTION SITUATION

Cotton and Rayon Competing on Price Basis

For several months now rayon viscose fiber, 1½ denier, has been lower in price per pound of usable fiber than middling 15/16 inch cotton as a result of high cotton prices. Rayon prices were reduced throughout the immediate prewar years and did not increase during the war. With rayon prices considerably above cotton, rayon consumption increased from .96 pounds to 2.52 pounds per capita between 1930 and 1938. Since 1943 the price of middling 15/16 inch cotton has been about the same or higher than that of rayon and consumption of rayon has increased from 4.78 pounds per capita to 5.46 pounds in 1945. On the other hand consumption of cotton has decreased from 40.24 pounds per capita in the marketing year beginning August 1, 1942 to 33.97 pounds in the marketing year beginning August 1, 1944. Production of rayon filament yarn and staple fiber increased from 663.1 million pounds since 1943 to 792.1 million pounds in 1945. In the same period, filament yarn production alone increased from 501.1 million pounds to 623.7 million pounds. The increase in this one segment accounted for most of the increase in the total. From 1943 to 1945 shipments of rayon filament yarns to manufacturers of tire cord and fabric increased from 55.6 to 187.4 million pounds. The 1945 shipments were the equivalent of 249.8 million pounds of cotton which compares with 302.6 million pounds of cotton used in tire construction in 1939. Thus between 1943 and 1945 almost the total expansion in the use of rayon occurred in the tire field.

During the war, rayon moved into a more favorable price relationship with respect to cotton but rayon production for uses other than in tires did not expand between 1943 and 1945 largely because rayon staple fiber production capacity was held constant. Except for temporary war-time conditions promoting the use of rayon, it appears that to a considerable extent the present uses of both rayon and cotton are fairly well defined without sharp regard to price differentials. However, a field does exist in the textile industry within which price differentials determine whether cotton or rayon is used. It is probable that technological development in cotton processing and rayon manufacture will increase the number of uses in which cotton and rayon compete on a price basis.

Prospective Developments in Rayon

Large increases in the domestic production of rayon are dependent on: (1) the anticipated level of cotton prices in relation to the general price level, (2) improvements in the quality of rayon, cotton and competing fibers as well as improvements in productive techniques brought on by technological advances, (3) changes in rayon plant construction costs, (4) prospects for importing and exporting rayon, and (5) the general demand situation.

In appraising the future rayon consumption situation, rayon import possibilities should not be ignored despite the fact that only small imports have occurred in recent years. Under war time self-sufficiency programs, large rayon production capacities were built in foreign countries. As a result of the war, United States imports of rayon fell from 47.6 million pounds in 1939 to negligible quantities in 1945. Except for minor instances import duties on rayon products have not changed since the middle thirties. Thus, it is reasonable to assume that under current import duties, foreign rayon will be able to compete with both United States rayon and cotton once the foreign rayon industry is rehabilitated.

Table 2.- Number of Production Workers in Cotton Manufactures (except small wares) compared with Selected Industries, 1939-1944 and months, 1945 to date

Industry	1939	1940	1941	1942	1943	1944
	1000	1000	1000	1000	1000	1000
Cotton textile manufactures except small wares	396	412	478	506	487	440
Apparel and other Finished Textile Products ...	790	796	907	939	958	885
Rayon and allied products (chemicals and Allied Products)	48	50	53	52	52	53
Electrical Machinery:	259	305	446	560	741	752
Shipbuilding and boat building	69	98	224	739	1,225	1,137
Explosives and safety fuses (Chem. and Allied Produsts)	7	10	27	70	91	79
Aircraft and parts and engines	49	115	268	645	1,028	959
Automobiles	402	465	570	510	714	720
Food	855	864	940	1,025	1,056	1,077
Furniture and finished lumber products	328	343	391	380	366	346

Table 2.

Number of Production Workers in Cotton Manufactures (except small wares) compared with Selected Industries, 1939-1944 and months 1945 to date

Industry	1945												1946
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept	Oct.	Nov.	Dec.	Jan.
	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000 Prel
Cotton textile manufactures except small wares......	433	429	424	416	411	414	409	407	407	404	399	424	429
Apparel and other Finished Textile Products	837	838	836	819	814	807	761	781	788	798	795	797	807
Rayon and Allied products (Chem. and Allied Products)..	54	55	55	53	53	54	54	53	54	56	57	58	59
Electrical Machinery..	698	696	693	682	681	668	636	617	428	449	461	465	456
Shipbuilding and boat building....	1021	973	917	854	784	739	691	647	445	368	286	268	255
Explosives and safety fuses (Chem and Allied products)	95	98	99	95	98	95	88	80	39	30	26	22	17
Aircraft and parts and engines.......	853	860	848	823	637	682	639	584	190	156	148	149	142
Automobiles	682	680	668	659	645	621	581	544	411	444	505	373	395
Food	1013	997	979	975	978	997	1054	1065	1140	1074	1042	1030	1006
Furniture and finished lumber products	339	341	338	331	329	329	321	317	291	295	307	322	332

Compiled from reports of the Bureau of Labor Statistics.

Table 3.- Monthly labor turnover rates (per 100 employees) in selected industries, 1939 to date

Year and Month	Separation rates: Cotton manufactures 1/	Separation rates: Silk and rayon goods	Separation rates: All manufactures	Ascession rates: Cotton manufactures 1/	Ascession rates: Silk and rayon goods	Ascession rates: All manufactures	Change (ascession over separation rates): Cotton manufactures 1/	Change: Silk and rayon goods	Change: All manufactures
1939-40	4.0	4.9	3.3	4.0	3.9	4.1	0	-1.0	0.8
1940-41	4.2	4.9	3.4	6.0	5.1	5.6	1.8	0.2	2.2
1941-42	6.0	6.7	5.2	6.5	5.6	6.3	0.5	-1.1	0.9
1942-43	8.4	8.3	7.3	8.0	7.4	8.0	-0.4	-0.9	0.7
1943-44	7.7	7.0	7.1	6.8	6.4	6.5	-0.9	-0.6	-0.6
1944-45	7.1	6.2	6.8	6.7	6.0	5.7	-0.4	-0.2	-1.1
Aug.	7.8	7.5	7.8	6.4	6.8	6.3	-1.4	-0.7	-1.5
Sept.	8.2	7.2	7.6	6.8	6.5	6.1	-1.4	-0.7	-1.5
Oct.	6.8	6.1	6.4	6.8	6.4	6.0	0	.3	-0.4
Nov.	6.4	5.6	6.0	7.1	6.3	6.1	0.7	.7	0.1
Dec.	6.4	5.2	5.7	5.7	4.1	5.1	- .7	-1.1	- .6
Jan.	7.2	6.1	6.2	8.5	7.0	7.0	1.3	0.9	0.8
Feb.	6.9	5.6	6.0	6.3	5.0	5.0	-0.6	-0.6	-1.0
1945-46									
Aug.	8.3	7.5	17.9	7.6	7.2	5.9	-0.7	-0.3	-12.0
Sept.	9.1	8.3	12.0	8.3	7.9	7.4	-0.8	-0.4	- 4.6
Oct.	7.5	7.6	8.6	8.8	9.0	8.6	1.3	1.4	0
Nov.	7.0	7.4	7.1	9.1	8.8	8.7	2.1	1.4	1.6
Dec.	6.3	5.3	5.9	7.0	5.7	6.9	0.7	0.4	1.0
Jan. 2/	7.7	6.1	6.8	10.4	8.3	8.4	2.7	2.2	1.6
Feb.									

Compiled from data from Bureau of Labor Statistics

1/ Excludes small wares. 2/ Preliminary.

Table 4.- Cotton and Rayon: Production in World and United States; Exports, Import and Consumption in United States and comparisons, 1934 to date.

Year 1/	PRODUCTION WORLD Cotton	 Rayon	 FOREIGN COUNTRIES Cotton	 Rayon	 UNITED STATES Cotton	 Rayon	EXBORTS FROM UNITED STATES Cotton	 Rayon 2/
	Mil. lbs	Mil. lbs	Mil. lbs	Mil. lbs	Mil. lbs (Net)	Mil. lbs	Mil. lbs	Mil. lbs
Av.-1934-38	13,891	1,400	7,805	1,122	6,086	278	2,853	2
1939	13,267	2,300	7,604	1,920	5,663	380	2,405	3
1940	13,841	2,463	7,816	1,992	6,025	471	1,925	4
1941	12,562	2,759	7,406	2,186	5,156	573	602	7
1942	12,836	2,750	6,680	2,118	6,156	632	533	7
1943	12,419	2,633	6,931	1,970	5,488	663	813	13
1944	11,991	2,156	6,118	1,432	5,873	724	498	20
1945 4/	11,114		6,700		4,414	792	1,264	20

Year 1/	IMPORTS INTO UNITED STATES Cotton	 Rayon	CONSUMPTION UNITED STATES TOTAL Cotton	 Rayon	 PER CAPITA Cotton	 Rayon	CONSUMPTION OF RAYON PER 1,000 BALES OF COTTON CONSUMED World 5/	 Foreign Countries	 United States
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Pounds	Pounds	Bales	Bales 6/	Bales 6/
Av.-1934-38	83	12	3,089	283	23.8	2.19	117	122	103
1939	71	48	3,629	459	27.5	3.48	190	218	115
1940	79	18	3,959	482	29.8	3.63	218	279	114
1941	157	12	5,191	592	38.7	4.41	255	360	121
1942	109	3/	5,633	621	41.6	4.58	260	361	134
1943	70	3/	5,271	656	38.4	4.78	261	335	157
1944	56	3/	4,790	705	34.5	5.07	211	235	176
1945 4/	123	3/	4,522	768	32.2	5.46			

Data for Rayon from Rayon Organon, includes filament &staple except exports which include waste. Exports, Imports and consumption are from February 1946 issue,

Estimates of cotton production (net) lbs. from Crop Reporting Board; production in foreign countries from reports of the New York Cotton Exchange Service. World production is summation of these data Exports and Imports from Bureau of Foreign and Domestic Commerce and Consumption from reports of the Bureau of the Census.

1/ Calendar year for all rayon data; cotton exports, imports and consumption ; Cotton Production for year beginning August.

2/ Includes waste.

3/ Less than half a million pounds.

4/ Preliminary.

5/ It is assumed that outside of the United States rayon consumption is identical with production.

6/ Rayon consumption reduced to bales by dividing by 425.

Table 5.- Rayon production, and prices, United States, calendar years, 1930-45

Year	Filament yarn			Staple fiber			Total			Prices	
	Viscose 1/	Acetate	Total	Viscose	Acetate	Total	Viscose 1/	Acetate	Total	Filament yarn 2/	Staple fiber 3/
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Cents	Cents
1930	117.5	9.8	127.3	.4	0	.4	117.9	9.8	127.7	106	60
1931	135.2	15.6	150.8	.9	0	.9	136.1	15.6	151.7	75	58
1932	116.4	18.3	134.7	1.1	0	1.1	117.5	18.3	135.8	66	46
1933	172.4	41.1	213.5	2.1	0	2.1	174.5	41.1	215.6	61	40
1934	170.3	38.0	208.3	2.2	0	2.2	172.5	38.0	210.5	59	34
1935	202.0	55.5	257.5	4.3	.3	4.6	206.3	55.8	262.1	57	34
1936	214.9	62.7	277.6	9.8	2.5	12.3	224.7	65.2	289.9	57	31
1937	238.2	82.4	320.6	16.6	3.6	20.2	254.8	86.0	340.8	62	27
1938	181.5	76.1	257.6	26.4	3.5	29.9	207.9	79.6	287.5	52	25
1939	231.3	97.3	328.6	45.3	6.0	51.3	276.6	103.3	379.9	52	25
1940	257.1	133.0	390.1	70.6	10.5	81.1	327.7	143.5	471.2	53	25
1941	287.5	163.7	451.2	105.3	16.7	122.0	392.8	180.4	573.2	54	25
1942	310.5	168.8	479.3	127.6	25.7	153.3	438.1	194.5	632.6	55	25
1943	338.5	162.6	501.1	129.6	32.4	162.0	468.1	195.0	663.1	55	24
1944	383.5	171.7	555.2	128.4	40.3	168.7	511.9	212.0	723.9	55	24
1945	448.8	174.9	623.7	129.1	39.3	168.4	577.9	214.2	792.1	55	25

1/ Includes rayon yarn produced by the viscose, cuprammonium, and nitrocellulose (discontinued in 1934) processes. 2/ Filament viscose yarns of 150 denier. 3/ Viscose staple fiber.

Compiled from the Rayon Organon, February 1946.

Table 6.- Rayon filament yarn shipments, by trades, United States, calendar years, 1930-45

Year	Knit goods		Woven goods		Tires 1/	Misc. & Exports	Total	Approx. cotton equivalents 2/			
	Hosiery	Other	Broad	Narrow				Knit goods	Woven goods	Tires 1/	Total 3/
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/
1930	16.5	38.0	49.5	3.0	0	4.9	111.9	128	124	0	263
1931	21.1	48.6	75.6	4.0	0	6.5	155.8	164	187	0	367
1932	19.0	38.0	84.6	3.9	0	7.0	152.5	134	208	0	359
1933	17.0	41.3	141.3	5.5	0	6.9	212.0	137	345	0	499
1934	14.1	39.9	131.3	4.8	0	7.1	197.2	127	320	0	464
1935	14.7	47.9	179.5	5.2	0	7.6	254.9	147	435	0	600
1936	16.3	51.0	216.9	8.2	0	6.7	299.1	158	530	0	704
1937	12.6	38.9	201.5	7.4	1.0	5.9	267.3	121	492	2	629
1938	14.1	39.6	204.8	6.6	4.6	5.5	275.2	126	497	11	648
1939	16.2	49.9	269.8	9.1	8.8	7.7	361.5	156	656	21	851
1940	16.4	54.0	294.8	8.2	9.6	6.6	389.6	166	713	23	917
1941	26.3	57.9	331.0	10.2	18.2	10.1	453.7	198	803	43	1,068
1942	49.4	56.3	315.1	8.7	28.5	16.4	474.4	249	762	67	1,116
1943	49.2	56.1	304.8	10.4	55.6	27.6	503.7	248	742	131	1,185
1944	45.0	55.9	294.4	12.5	115.2	32.4	555.4	237	722	271	1,307
1945	35.4	57.1	295.8	14.1	187.4	32.6	622.4	218	729	441	1,464

1/ Used by tire manufacturers in tire cord and fabric, as well as allied rubber uses such as fuel cell fabric and hose fabric. 2/ Converted to approximate 500-pound bale cotton equivalents by dividing pounds of rayon by 425. 3/ Includes shipments for miscellaneous uses and for export.

Compiled from the Rayon Organon, February 1946.

Table 7.-STATISTICAL SUMMARY

Item	Unit or base period	1945		1946		Pct. of year ago 1/
		Feb.	Dec.	Jan.	Feb.	
Prices:						
Middling 15/16-inch, 10 markets	Cents	21.59	24.51	24.71	25.84	12
Farm, United States	Cents	19.99	22.84	22.36	23.01	11
Parity	Cents	21.33	21.82	21.95	22.07	10
Farm, percentage of parity	Percent	94	105	102	104	11
Premium of 1-1/8-inch over basis: 2/						
Memphis	Point	425	219	190	129	30
Carolina "B" mill area	Point	600	469	420	356	59
Cloth, 17 constructions	Cent	42.69	44.78	45.02	45.04	106
Mill margin (17 constructions) ..	Cent	21.33	20.61	20.68	19.49	91
Cottonseed, farm price	Dollar	52.70	51.40	50.90	50.30	95
Cottonseed, parity	Dollar	38.80	39.70	39.90	40.10	103
Cottonseed, farm, pct. of parity	Percent	136	129	128	125	92
Consumption:						
All kinds during month, total ..	1,000 bales	781.1	651.8	811.4	747.0	96
All kinds cumulative, total	1,000 bales	5,652.0	3,595.9	4,407.2	5,154.2	91
All kinds per day, total	Bale	39,740	32,589	36,061	37,983	96
All kinds, annual rate	Mil. bales	10.2	8.3	9.2	9.7	95
American-Egyptian cotton, total.	Bale	3,387	1,276	1,938	1,869	55
American-Egyptian, cumulative ..	Bale	24,522	8,455	10,393	12,262	50
Foreign cotton, total	Bale	9,394	13,257	17,509	16,083	171
Foreign cotton, cumulative	Bale	64,364	64,269	81,778	97,861	152
Stocks, end of month:						
Consuming establishments	1,000 bales	2,277.9	2,380.3	2,366.3	2,373.9	104
Public storage and compresses ..	1,000 bales	12,401.4	10,504.6	9,964.5	9,418.2	76
Total 3/	1,000 bales	14,679.3	12,884.9	12,330.8	11,792.1	80
Egyptian cotton, total 3/	Bale	35,579	56,401	60,627	64,530	181
American-Egyptian cotton total 3/	Bale	46,271	25,083	24,454	24,497	53
Index numbers:						
Cotton consumption	1935-39 =100	152	125	138	146	96
Prices paid, interest, and taxes	1910-14 =100	172	176	177	178	101

1/ Applies to last month for which data are available.

2/ Premiums for Middling 1-1/8-inch based on near active month futures at New York, average of premiums on Thursdays.

3/ Includes only stocks in mills and public storage and at compresses.

Compiled from official sources.

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